GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1874
ANSWERED ON:24.08.2007
PUBLIC AND PRIVATE INSURANCE COMPANIES
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

;

(a) the comparative details regarding facilities being provided by both public and private sector insurance companies to their customers;

(b) whether any rebate of agent`s commission is provided to the customers directly approaching the company`s office for insurance;

(c) if so, the details thereof; and

(d) if not, details of head under which the said, amount is deposited?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): The Insurance Regulatory and Development Authority (IRDA) has reported that facilities provided by both public sector and private insurance companies to customers include services by way of insurance cover that provide indemnification, compensation or benefits as per the terms of the contract agreed upon. In respect of life insurance policies, the insured has an option to return the policy within 15 days of receipt of the policy document upon his disagreement with the terms and conditions. In case of delay in settlement of a claim by an insurance company, interest at the rate of 2% above the bank rate is payable by the insurer. Insurers also provide facilities like payment of premium by cash, cheque as also through Electronic Clearing Service (ECS), Credit cards, payment gateways, internet etc.

(b), (c) & (d): No Sir. In terms of Section 41 of the Insurance Act, 1938, no rebate is provided to the customer in lieu of agent`s commission when the customer approaches an insurance company to buy insurance protection.